

Bulletin

January 2006 Retail Sales • Released March 21, 2006

STRONG GROWTH, POSITIVE OUTLOOK

January's hot performance got 2006 off to a good start. Overall, sales in January grew 7% over last year, which was largely driven by the automotive sector (12.7%). Excluding Automotive, Food, and Pharmacies overall growth surged ahead by 8.8%. The warm January coupled with gift card redemptions and students having the extended holiday break were likely contributors to the robust start. As a bonus, Consumer Confidence bounced back from previous months.

Building and Outdoor Home Supplies Stores and Furniture, Home Furnishings and Electronics Stores continued to shine, forging ahead by 16.5% and 12.7%, respectively. Sporting Goods, Hobby, Music and Book Stores also experienced positive gains – up 11.9% over last year. This category was affected by a lot of gift card activities as well as the fact that the NHL was on strike last year.

The Food and Beverage Stores category was the laggard and fell by 2.3% as grocery stores fight competitions from general

merchandise like Wal-Mart. Clothing Stores had a slow growth month of a mere 2.2%. Unlike American retailers who made a point of bringing in fresh, new products in January to capitalize on the warm weather, Canadian retailers generally did not advance the timing on their new merchandise introduction so were not able to capitalize on the opportunities.

Regionally, Western Canada outpaced other regions. The Resource Rebate of \$400/person pumped up the retail sales in Alberta's already red-hot economy. The Prairies continued its double-digit growth at 13.6%, followed by British Columbia at 9.5% and Atlantic Canada at 8.5%. Even Ontario saw boosted sales by 5.3%.

Looking forward, we expect to see relatively strong growth for the first half of 2006 given the low unemployment rate and the strong Canadian dollar.

Note: National Retail Bulletin used to report on the sub-categories under General Merchandise Stores. For confidentiality reasons, Statistic Canada has stopped releasing the data for sub-categories. So we will no longer be able to report on Department Store performance. Going forward, we will only report the totals for General Merchandise Stores.

**RELEASE DATE OF THE NEXT
NATIONAL RETAIL BULLETIN**
April 21, 2006

Please note:

The J.C. Williams Group National Retail Bulletin compares the latest monthly release of "raw" (i.e., unadjusted for seasonality) retail sales figures to those in the *same calendar month of the previous year*. Statistics Canada also reports seasonally adjusted sales that are compared to the *previous month within the current calendar year* to measure change in Gross Domestic Product (GDP). Although other sources use seasonally adjusted figures, J.C. Williams Group believes that using raw figures and making comparisons to the previous year's performance more accurately reflects the seasonality of the retail industry and, therefore, are more useful in analysis.

Retail Sales by Store Category

Sales for the Month of: January	2006	2005	2006/2005
All Stores	26,297.5	24,582.5	7.0%
Automotive	8,800.5	7,810.8	12.7%
All Stores Less Automotive	17,497.0	16,771.8	4.3%
Food and Beverage Stores	6,395.8	6,546.9	-2.3%
Pharmacies and Personal Care Stores	2,003.3	1,860.7	7.7%
All Stores Less Automotive, Food, Pharmacies	9,097.9	8,364.2	8.8%
General Merchandise Stores	2,965.0	2,802.5	5.8%
Furniture, Home Furnishings and Electronics Stores	2,002.6	1,776.4	12.7%
Furniture and Home Furnishings Stores	1,073.6	947.2	13.3%
Computer, Software, Home Electronics, and Appliance Stores	929.0	829.2	12.0%
Clothing and Accessories Stores	1,297.0	1,259.8	2.9%
Clothing Stores	1,005.3	983.9	2.2%
Shoes, Clothing Accessories, and Jewellery Stores	291.6	275.8	5.7%
Sporting Goods, Hobby, Music, and Book Stores	763.0	681.9	11.9%
Building and Outdoor Home Supplies Stores	1,394.5	1,197.3	16.5%
Miscellaneous Store Retailers	675.8	646.3	4.6%

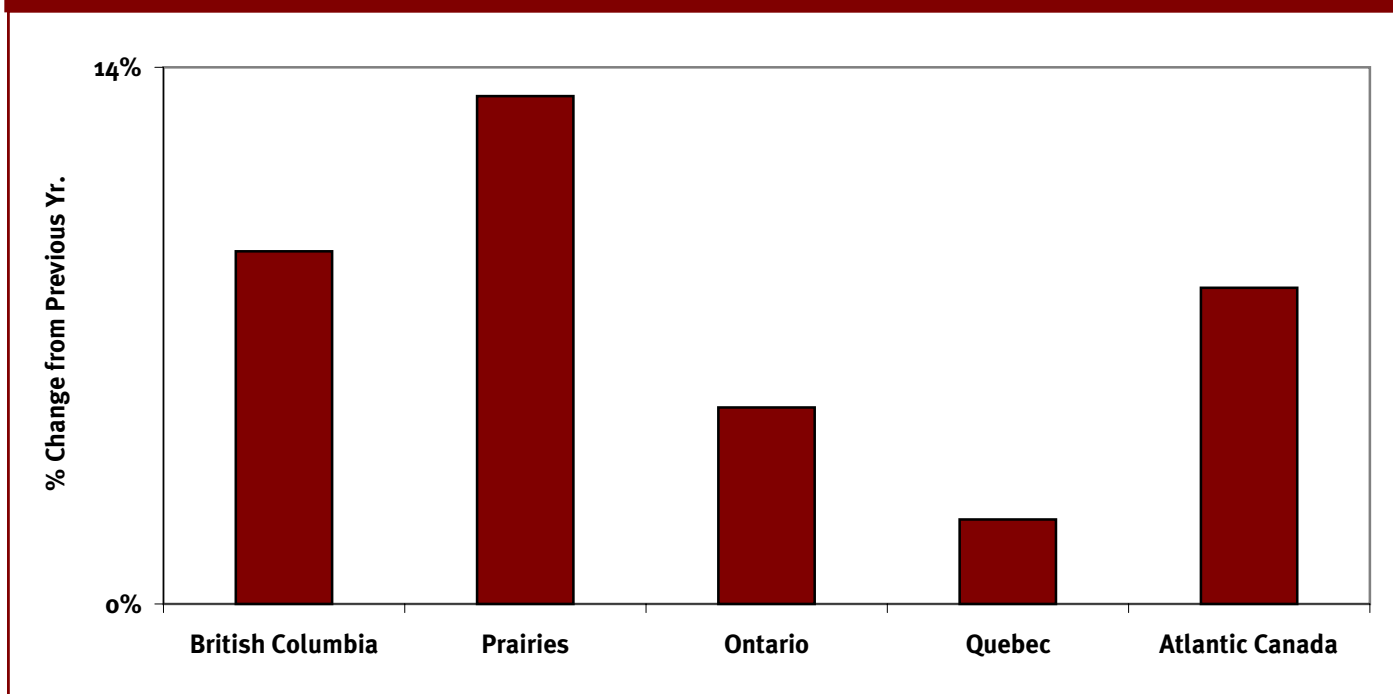
Year-to-date Sales	2006	2005	2006/2005
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ALL DOLLAR VALUES EXPRESSED IN MILLIONS OF CANADIAN DOLLARS; UNADJUSTED FIGURES; SOURCE: STATISTICS CANADA

Retail Trade, Canada, All Stores, by Region

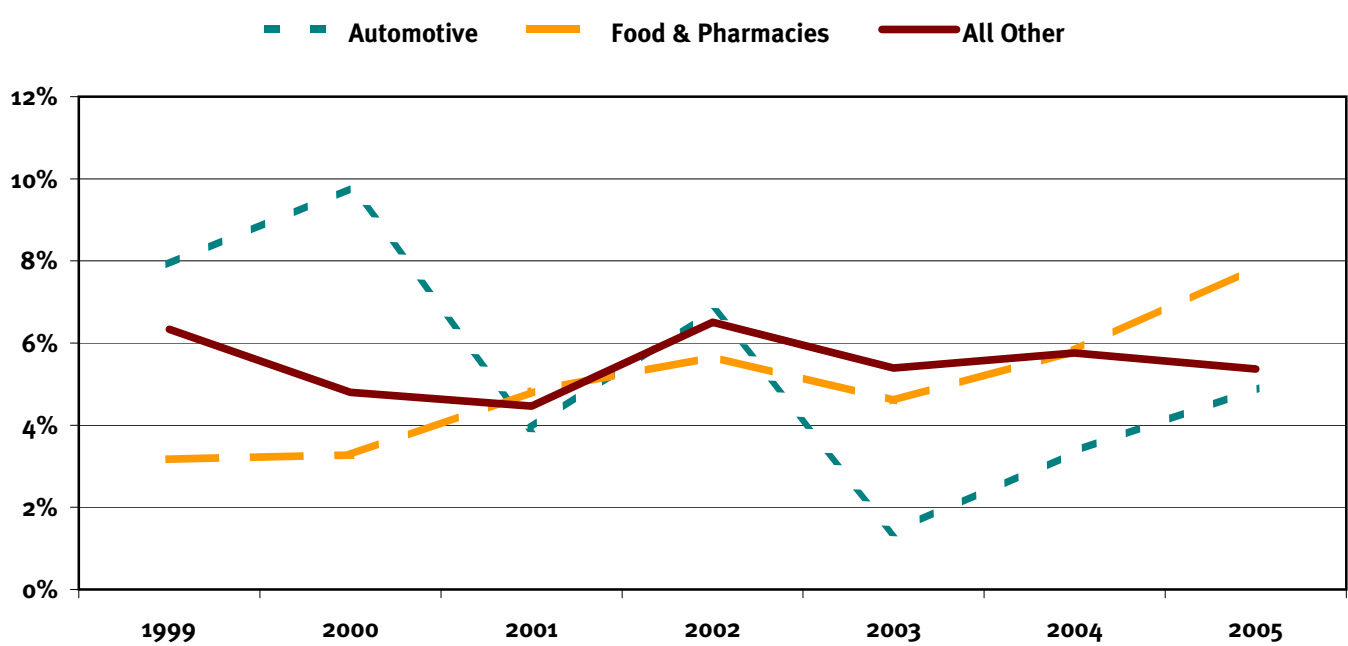
	Year-to-date 2006	Same Period 2005	Change 2006/2005
British Columbia	3,710.4	3,389.8	9.5%
Prairies	5,308.6	4,672.0	13.6%
Ontario	9,698.8	9,213.1	5.3%
Quebec	5,661.3	5,536.0	2.3%
Atlantic Canada	1,829.4	1,686.4	8.5%

**Percentage Change in Retail Trade, All Stores, By Region
Year-to-date Compared to Same Period Last Year**

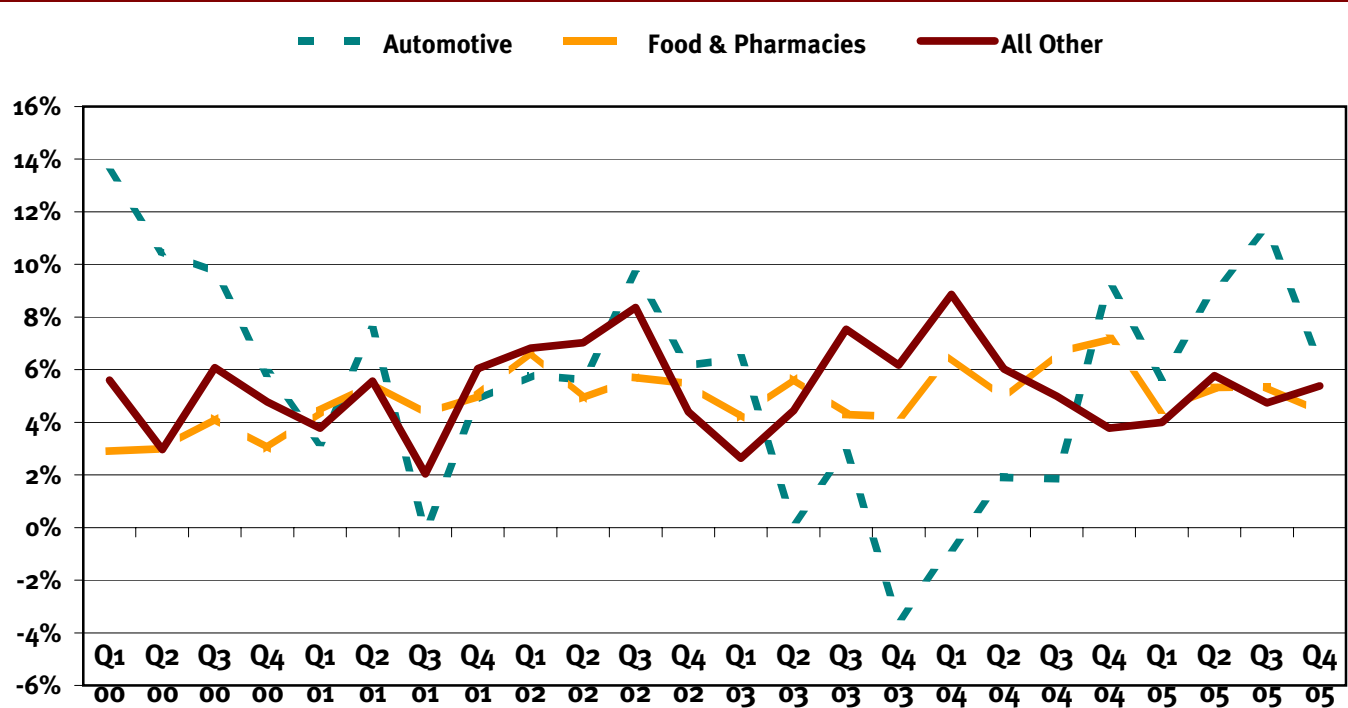


For more detailed information on retail sales, please contact J.C. Williams Group

Canadian Retail Sales by Major Product Category, Year Over Year (1999–2005)



Canadian Retail Sales by Major Product Category, From the Same Quarter a Year Earlier



Consumer Price Index

February 2006

vs.

February 2005

2.2%

Canadian Consumer Confidence Index 1999–2005



Source: Conference Board of Canada

Canadian Consumer Expenditures Index 1999–2005

